



DEPARTMENT OF
**COMMUNITY SERVICES
AND REVITALIZATION**

LANDBANK MEETING MINUTES

February 27, 2014

Call to Order:

Chairman William Schreck called the February 27, 2014 meeting to order @ 3:07 p.m.

Present:

- **Board Members:**
Chairman William Schreck, Vice-Chairman Ishmon Burks, and JCPS appointee Franklin Jones were present establishing a quorum.
- **Staff:**
Jeana Dunlap
Paul Mastrolia
Dena First
Mary McGuire
- **Jefferson County Attorney's Office:**
Jo Ann Burke, Assistant County Attorney
Paul Whitty, Assistant County Attorney
- **Guests:**

Julienne Chen, Metro Government
Jim Fowler, Fowler & Sons Building and Remodeling

The February 27th meeting began with Bill Schreck asking Paul Mastrolia for any announcements. Paul reminded the board that the next scheduled Landbank meeting would be Thursday, March 27, 2014 at 3:00 p.m. Paul added that the meeting may need to be held at another location due to scheduling conflicts with our usual meeting room. Bill Schreck noted they would know for certain as the next meeting day approaches and advise all of any changes.

Paul Mastrolia also added that Mary McGuire provided the Commissioners Sale dates for the remainder of the year and he emailed that schedule to all the board members.

Bill Schreck noted that the board members have received a copy of the January 23, 2014 minutes and asked if there were any revisions. Franklin Jones commented that 'who asked' located on the first line of paragraph four, page six should be removed. Bill Schreck commented that 'have been' located in the last line of paragraph 3 on page 3 be changed to 'will be'.

Bill Schreck requested a motion to approve the January 23, 2014 meeting minutes. The minutes were unanimously approved with the above changes.

NEW BUSINESS:

The Board went on to consider New Business in the form of resolutions 4 through 7.

RESOLUTION NO. 4, SERIES 2014

<u>1833 Lytle Street</u>	<u>015G-0066</u>
<u>PVA Value: \$1,700.00</u>	<u>Sale Price: \$1.00</u>

The subject property is a small lot located adjacent to requestor William Barr's property at 1835 Lytle Street. This house has been in his family for decades and he is now the fee owner. He has lived here most of his life. He will use the property as a side yard which will be consolidated by deed with his existing property.

The subject property has been owned by the Landbank since 1993. This is an opportunity to dispose of a long held property for what staff considers a highest and best use. Doing so will increase the property value for this Portland Neighborhood owner occupant. The Landbank has a history of supporting Portland owner occupants when possible.

DISCUSSION:

Bill Schreck asked for clarification of the proposed use for this property. Staff confirmed that the request is for use as a side yard. Bill Schreck asked if there were any additional comments from the audience. Mary McGuire said Mr. Barr should be reminded there are Metro regulations against parking vehicles in yards and he must follow all Metro codes and regulations if the property is approved for conveyance. Franklin Jones asked how staff determined the sale price of \$1.00. Paul Mastrolia replied that is the new price policy for properties less than 2500 square feet. Jeana Dunlap clarified that the existing side yard policy has always called for \$1.00.

Franklin Jones made a motion to approve Resolution # 4. Ishmon Burks seconded the motion. Bill Schreck asked if there were any additional discussion, hearing none Resolution # 4 was approved unanimously.

RESOLUTION NO. 5, SERIES 2014

<u>641 North 27th Street</u>	<u>005F-0097</u>
<u>PVA Value: \$2,460.00</u>	<u>Sale Price: \$1.00</u>

Mr. Jim Fowler is a general contractor and is requesting this property to construct a new single family house. The house will be rental property. Mr. Fowler has established a tract record

with the Landbank having built a single family house at 650 N. 29th Street on property he purchased 15 years ago. He has successfully operated this as rental property since. He has other rental units in the area which have given him significant experience in property management.

He is a working general contractor and has the capacity to complete this project efficiently and operate it profitably. Mr. Fowler believes there is a strong market for smaller, well-built, energy efficient houses in Portland. The subject property has been owned by the Landbank since 2007. Please note Mr. Fowler is financing the entire investment with his own resources.

DISCUSSION:

Paul Mastrolia began the discussion by directing the board members to the projector for pictures of the subject property and of Jim Fowler's rendering of what he will build on site. Paul noted that Mr. Fowler is proposing to build smaller, well insulated home for veterans. Paul asked Mr. Fowler, who was in attendance, to present his proposal in greater detail. Bill Schreck asked Mr. Fowler if he had spoken with the neighbors about this design. Mr. Fowler replied that he has not and he realizes the design is somewhat contemporary. Mr. Fowler noted that some aspects of what he is proposing have been around for years and went on to say that is only concern is the amount of the glass in the front of the house as that could become a target for vandals. Bill Schreck asked if there is still a Category 3 Review in Portland. Mr. Fowler answered yes there is and then he requested that the fee for the review be waived. He continued to say that he is offering to buy the lot for \$350.00 and then he would have to spend an additional \$300.00 fee to Planning & Design Services to review his project if the fee remains.

Mr. Fowler has found that if a home is not well insulated the tenant cannot pay their utility bills. Therefore high utilities jeopardize rental payments and low income tenants are highly challenged to pay both. This project will be made energy efficient and very well insulated.

Ishmon Burks asked how much it would cost to build the home. Mr. Fowler replied between \$42,000.00 and \$48,000.00. Mr. Fowler added that he has two units occupied by disabled veterans. He has a relationship with the VA but he will not rely on this source solely for tenants. Franklin Jones asked what the rent would be for that home. Mr. Fowler replied \$450.00-\$500.00. If he can make it a two bedroom it will rent for \$600.00. Mr. Fowler added that the foot print would be at 713 square feet. Paul Mastrolia again referred to the Landbank purchased several years ago on 29th Street. Mr. Fowler stated he bought the property from the Landbank about 15 years ago for \$370.00. It is rented Section 8 with rents of \$610.00 to \$832.00 a month. Mr. Burks liked the design of the proposed home.

Bill Schreck advised Mr. Fowler that the Landbank has no authority to waive the fee for the Category 3 Review. Ishmon Burks asked about the purpose of the Category 3 Review. Mr. Schreck replied that several years ago Portland residents decided that they were not happy with

the type of infill buildings that were being built in the area so they had a change in the ordinance to require a higher level design review over normal plan review.

Franklin Jones asked if a different material could be used instead of the glass in the front of the house. Mr. Fowler replied that he had not looked into shatter or bullet proof glass but he is sure that would be costly. Paul Mastrolia commented that the new price policy that will be presented later in the meeting proposes if a lot is less than 2500 square feet it would be sold for \$1.00. Paul noted that the lot in question is 2400 square feet. Mr. Fowler advised the board that the Category 3 Review cost is \$300.00 and that his offer for the lot is \$350.00. Paul Whitty offered to speak with Planning and Design Services to request waiving their fee for Landbank properties sold to individuals or developers. Julianne Chen added the lot in question is a proposed plan for the Lots of Possibility competition. She later advised the Board the proposed plans for that lot were not being considered.

Mr. Fowler continued by stating that one of the difficulties in developing this property is the elevated retaining wall which would present a challenge for moving building materials. Ishmon Burks inquired more about Mr. Fowler's idea of providing homes for veterans. Mr. Fowler replied the two case workers he has dealt with have stated that he does good work and that they would pass his contact information onto other colleagues. Ishmon Burks asked if Mr. Fowler would consider using veterans to complete the work. Mr. Fowler replied that was a good idea but he would need to look further into that.

Bill Schreck asked for the correct sale amount; his resolution stated the sale price is \$500.00. The other Board members resolutions state the sale price is \$1.00. Bill Schreck asked Mr. Fowler what he was offering for the lot. Mr. Fowler replied that his previous offer was \$350.00 not knowing it could be sold for \$1.00. Jeana Dunlap clarified that side yards (properties that will not be built upon) are sold for \$1.00. Bill Schreck noted that according to the new pricing policy this lot would sell for \$500.00. Jeana asked Paul Mastrolia to clarify the rationale as to how the original sell amount was established. Paul Mastrolia stated that he went by the "to be proposed" pricing policy assuming it would be adopted today. Franklin Jones suggested that if the Board moves forward with the resolution today they should consider the \$500.00 sell price. Mr. Fowler added that his offer was for \$350.00 considering he would have to pay \$300.00 for the reviews. Franklin Jones repeated that he thinks that the board should vote on the \$500.00 sell price today and if Mr. Fowler was not in agreement he could decline the resolution and speak with Community Services and Revitalization staff.

Ishmon Burks agreed with Franklin Jones who asked Mr. Fowler if he wanted the Board to proceed based on \$500.00 sale price or speak with Community Services and Revitalization Staff. Mr. Fowler replied that he would go for \$500.00 if the \$300.00 review fee be waived. Jeana Dunlap asked the county attorneys if the resolution was approved today for \$500.00 and Mr. Fowler did not proceed based on the cost of the review, could the resolution be closed out. Joann Burke replied that a sell timeframe could be added to the resolution giving Mr. Fowler

time to make a decision/accept the resolution. Jeana added that if the resolution is not accepted in the time frame the lot would go back onto the sales inventory list. Mr. Fowler agreed but noted that it would depend on whether the request to waive the P&DS fee was successful. Paul Whitty agreed but he was not sure if P&DS could make an ad hoc decision or if the request would have to go through the Planning Commission procedures which could take 60 days. Jeana advised Mr. Fowler that they cannot make any guarantees but Mr. Fowler would not be bound to the resolution should he not decide to accept. Mr. Fowler asked if the process would be expedited by giving P&DS a copy of the resolution. The Board replied they were not sure; they do not have any jurisdiction over Planning and Design. Jeana Dunlap reminded Mr. Fowler that Paul Whitty offered to have a conversation with Planning and Design Services on his behalf, but neither the Landbank Board or Community Services and Revitalization cannot make any guarantees or assumptions on the outcome. Mr. Jones told Mr. Fowler that the Board is offering to sell the lot for \$500.00 giving him 60 days to make a decision/ accept the resolution from date of deed.

Bill Schreck asked for a motion. Ishmon Burks made a motion to approve the Resolution No. 5 at the corrected price of \$500.00 with the closing to take place within 60 days from date of the deed. Franklin Jones seconded the motion. The resolution was approved unanimously.

Paul Whitty then informed the Board that Emily Lu, Director of Planning and Design Services, agrees that waiving such fees is a positive move and that he would call Cheri Bryant - Hamilton to present a resolution to Metro Council to approve these changes. Jeana Dunlap asked Paul Whitty to clarify that would have to happen to take this to Metro Council for approval to waive the fee for a Category 3 Review. He replied yes as the fees were established by ordinance; in order for them to be amended or waived it must go back to Council. Jeana then asked if the legislation would be coming from P&DS. Paul Whitty replied that Emily Lu would support it and 5th District Council Member Cheri Bryant -Hamilton can sponsor it. Jeana asked if the legislation to be proposed would be for all Landbank transactions or just this particular case. Paul Whitty replied that it would be for all Landbank transactions needing a Category 3 Review.

Paul Mastrolia inquired about expanding such a policy to Urban Renewal and Metro owned Property. Jeana asked if the legislation would be for all Landbank transactions Metro wide or would this be limited to Portland? Paul Whitty replied it would not be limited to Portland and it would be expanded to all Landbank transfers because buyers are getting property for very little money. We want them to invest and spend the money in their projects rather than having to pay fees. Jeana Dunlap suggested that a conversation is needed to determine how to make the sale of our property more attractive. She added that regarding Metro Council the Landbank needs to be very specific with what they requesting Metro Council to approve considering the role of P&DS versus Community Services and Revitalization and to be sure all parties are in agreement.

RESOLUTION NO. 6, SERIES 2014

2736 Bank Street 004F-0117
PVA Value: \$4,110.00 Sale Price: \$1,000.00

This request comes from adjacent property owner, Mr. James Harris of 2734 Bank Street. Mr. Harris owns the single family house next to the subject property which is in the process of being rehabilitated; his son will live in that house and if approved the Landbank property will be consolidated by deed with 2734 Bank Street.

Mr. Harris resides at 2728 Bank Street and, as you see, owns all the property from that address up to the Landbank property. He will fence and maintain the property which he feels is not being maintained to a sufficient level. He has been a Portland owner occupant for over 20 years and he continues to invest in his property and thus in the neighborhood. The Landbank has owned the requested property since 2007.

DISCUSSION OF RESOLUTION NO. 6

Bill Schreck began the discussion by asking Paul if the lot being requested goes to the corner of the street. Paul replied no, there is another parcel bordering the corner. Mr. Schreck commented that if they convey the property to Mr. Harris the lot at the corner will be rendered unbuildable. Mary McGuire commented that the lot on the corner may be a Metro friendly foreclosure case but she can check her files to verify. Paul Mastrolia added that Mr. Harris offered \$1000.00 for the property but according to the price policy it could be \$1.00, so maybe the resolution should be tabled until next month. Bill Schreck commented that he thought tabling the resolution would be a good idea in consideration of the new pricing policy.

Franklin Jones made a motion to table Resolution #6 until the next meeting. Ishmon Burks seconded. The motion was approved unanimously.

Mary McGuire returned to give a status of the corner property, 2738 Bank Street. Mary began by stating that she was contacted by the property owners because Habitat for Humanity was interested in the property. Mary began the foreclosure process March 25, 2013. Bill Schreck said that if foreclosure is completed that the property could go to the Landbank which would then own both properties creating a more marketable building site.

RESOLUTION NO. 7, SERIES 2014

2129 Wilson Avenue 038L-0012
PVA Value: \$24,560.00 Sale Price: \$500.00

817 South 23rd Street 036G-0099

PVA Value: \$43,620.00 Sale Price: \$799.00

Dr. Fred Johnson, owner of B & F Enterprises, LLC, is requesting these properties, both are single family houses which he will rehab to meet all Metro code standards. Both will be rental units. Staff explained that Dr. Johnson has almost completed the renovation of the former Landbank owned property at 432 M Street. This is a single family house, which the Landbank sold to him last year.

He has now established a track record with the Landbank of completing work as promised. Dr. Johnson will fund the entire investment himself. The 817 S. 23rd Street property has been owned by the Landbank since 2010 while 2129 Wilson Avenue has been Landbank owned since 2013. Both properties were taken by the Landbank in donation.

DISCUSSION OF RESOLUTION 7

Paul Mastrolia began by showing the board recent photos of 432 M Street. The repairs are 85% complete. Dr. Johnson has invested \$54,000.00 into the renovation to date and at completion will have spent \$60,000.00. Dr. Johnson is offering \$799.00 for 817 South 23rd Street. The Wilson Street property is a small house near a school and Dr. Johnson is offering \$500.00 for that property. Bill Schreck clarified that on the resolution he shows Dr. Johnson is offering a sale prices of \$2,500.00 and \$5,000.00. Paul Mastrolia replied that was a mistake those prices are the land only assessed value. Bill Schreck asked how the prices of \$500.00 and \$799.00 work with the existing pricing policy. Paul replied that it was a negotiation. Bill Schreck replied that the proposed policy is the Property Value Administration value of the land only as long the property was recently assessed. Franklin Jones asked about the land only assessed value of each property. Paul Mastrolia replied that 817 South 23rd Street was assessed at \$5000.00 and 2129 Wilson Ave was assessed for \$2,500.00. Jeana added that the last transfer of 817 South 23rd Street was in 2010, so at best the \$5,000.00 is an assessment value based on 2010.

This is an example when we would want a desk top review from PVA to get a more accurate current valuation. Franklin Jones commented that the price Dr. Johnson is offering is still considerably less than what the new pricing policy proposes. Jeana Dunlap agreed but added that there has been a massive devaluation of property in West Louisville that has taken place since the 2010 transfer; she believes that it would assess for 50% of what it was two years ago. Franklin Jones asked why we would want to sell the properties for a lesser amount. Staff replied

that Dr. Johnson has made a major investment on the M Street property and to have him make the same type of investment in these properties is our desired outcome.

Jeana Dunlap added that this is an example of some of the competing objectives we are going to have and discuss when examining the pricing policy. The Landbank needs to establish a reasonable price that does not deter people from buying property. Franklin Jones asked what if they get more money for the two proposed properties. Paul Mastrolia replied that he thought they were being a penny wise and a pound foolish at this point. The Landbank has owned the 23rd Street property for four years with no buyers. 2129 Wilson has been in the inventory since 2013, with no buyers and we have an opportunity to get these properties back in service by selling them to a proven developer. Franklin Jones asked why Dr. Johnson wants to buy the properties. Paul replied that he is a real estate investor owning properties in other states.

Bill Schreck asked how we advertise Landbank property for sale. Jeana Dunlap replied that the property address and other relevant information is on the Community Services and Revitalization website. Photos are not on the website at this time. Bill Schreck asked if sale signs have been placed in the yards. Jeana replied no they are not. Paul Whitty asked if people who do this type of work are aware that Landbank properties are available. Jeana answered yes the usual developers know to come to us. Jeana also added that one of the reasons the Lots of Possibility competition was created was to raise everyone's awareness of available properties. Bill Schreck noted that he agrees with that to a degree but many citizens think that we own properties that are actually privately owned. Bill Schreck asked the Board if they wanted to make or motion or to defer the resolution. Ishmon Burks asked Bill Schreck how he felt about the offer. Bill replied that Paul Mastrolia was correct that while we have an experienced, proven buyer for the property, however he is offering less than 80% for one houses and less than 20% for the other does not give him a good feeling. Bill Schreck pointed out that on the other hand the tax revenue from those houses is zero.

Ishmon Burks made a motion to approve Resolution #7 with the conditions that permits are pulled within 120 days and work completed within a year from the date of deed. Franklin Jones seconded the motion. The motion was approved unanimously.

Jeana Dunlap asked the county attorneys if they noted the conditions set in place by the board for Resolution # 7, to ensure the final resolution is drafted correctly. Joann answered she has noted the conditions. Paul Whitty asked if these conditions are not met will the property then return to the sales inventory. All board members replied yes.

PRESENTATION OF NEW PRICE POLICY

Bill Schreck asked if the Landbank has ever employed a real estate agent to help market our properties. Jeana Dunlap replied the Landbank has never retain or pay a commission to a realtor to her knowledge; however the Property and Leasing Unit did retain the services of a realtor last year. Jeana continued by saying that the two units, Property Leasing & Revitalization, have merged under the recent reorganization and the intent is to maintain the relation with that realtor (Goeff Wilkerson).

Bill Schreck asked if the realtor focused on commercial properties. Jeana replied they have sold some single surplus lots for the Leasing Division. Bill Schreck went on to ask if anything prohibits us from requesting the realtor begin marketing Landbank owned property. Jeana replied that she didn't know why not to as statutes do not address agents nor the creation of a marketing plan. That then forces the question of how to pay realtor commissions. Bill Schreck replied that people hire real estate agents because you are getting their marketing skills, their connections and you hope to offset commission costs by commanding a higher sale price. Mr. Schreck continued by saying that he would hire a real estate agent to sell his home because he believes that the realtor would negotiate more money.

Jeana Dunlap pointed out that most people approaching the Landbank are not working through realtor. Bill Schreck commented that a real estate agent would price all property at true market value exclusive of our pricing policy. Bill continued that the Landbank would set some parameters that it would establish a minimum amount and if the realtor decides to market the property higher than the minimum price permission from the Landbank would be required. Jeana said that is a great question and we could revisit once the board has reviewed Julianne Chen's presentation on the pricing policy.

Julienne Chen then took the floor and began by saying she and Paul Mastrolia and Jeana Dunlap have been meeting for several months reviewing the pricing policy and process mapping. Julienne reminded the board that she made a presentation last December regarding the best practices of other Landbanks and then directed the Board to view the following PowerPoint presentation for proposed pricing.

Background

- Recent increase in Landbank activity has shined a light on the need to update policies and procedures (last revised in 2008).
- Staff began mapping the disposition process and identifying areas of potential improvement to make the process more efficient, more simple and more understandable to buy Landbank property.
- Presented research on procedures, policies and best practices for other Landbanks at our December, 2013 meeting.
- First set of recommendations around a pricing policy have been completed; others are in progress.

Pricing Policy Recommendation		
Property Type	Current Policy	Proposed Asking Price
Vacant lot • Frontage < 25 feet; • Land area < 2,500 SF; or • Otherwise unbuildable (e.g., landlocked)	\$1	\$1
Vacant lot • Land area 2,500 – 5,000 SF	<ul style="list-style-type: none"> For-profit commercial, retail and institutional proposals are appraised value or as negotiated. All others are PVA assessed value or as negotiated. Note in existing guidelines & policy document: "Landbank lots are usually sold at a nominal cost" 	\$500
Vacant lot • Land area > 5,000 SF		\$1,000
Metro-funded project		\$1
Vacant structure		PVA Assessed land value*

*Assessment must have been completed within last 12 months; otherwise, CSR will request the PVA to update the assessment via desktop review. **All prices are exclusive of recording fees.

DRAFT FOR REVIEW

Julienne Chen asked the Board if it would be allowed to deem lots unbuildable at that are 2500 square feet or less (see chart above). Bill Schreck asked Paul Whitty what the minimum lot size is in the Land Development Code. Paul Whitty replied he thinks that the lot widths have to be about 40 feet but there are exceptions to lots created prior to 1920 or so. Bill Schreck replied that there isn't a lot that is truly unbuildable; Jeana Dunlap commented that P&DS decides what

is buildable when doing the permit review. She asked Bill if building lot line to lot line is allowed. Bill Schreck replied yes, that anything that was platted before a certain date can be built upon.

Justification

- Price incentivizes the utilization and thus the sale of existing inventory (demand may not bear full market value).
- Simple, easy-to-use policy that virtually anyone can understand.
- Can implement immediately – does not require the time and expense to gather appraisals or valuations.

CON: Landbank may not recoup true market value from the sale of its properties.

A look at the numbers...

Type/Use	2013 Landbank Sales Price	Proposed Price	Existing Landbank Property Inventory			
			# of properties	Median PVA value	Min PVA value	Max PVA Value
Vacant lot, < 25 ft frontage, < 2500 SF or unbuildable	Sold: 12 Avg.: \$162 Median: \$1	\$1	121	\$2,000	\$270	\$37,540
Vacant lot 2500 - 5000 SF	Sold: 13** Avg.: \$1,283 Median: \$10	\$500	115	\$2,900	\$470	\$48,840
Vacant lot < 5000 SF	Sold: 2 Avg.: \$1 Median: \$1	\$1,000	54	\$6,300	\$420	\$67,900
Metro-funded project	N/A	\$1	N/A	N/A	N/A	N/A
Structures	Sold: 5 Avg.: \$1,881 Median: \$1	\$2,500 - \$5,000	11 (includes one preconstruction)	\$26,320	\$10,120	\$151,270
Comparison of revenue	\$28,192**	\$30,012**				

**Includes 6 vacant lots that were sold for full PVA value. Excluding these 6 properties, all vacant lots sold for between \$1.00 - \$10.00 for a total 2013 revenue of \$9,470. ** Calculated by applying the proposed asking prices to 2013 property sales.

DRAFT FOR REVIEW

Moving forward

- After implementation of short-term pricing policy staff can make recommendations on whether to graduate to a more complex pricing policy at a later time that better reflects property valuation.
- Estimate it will take 12-24 months to create the conditions for a more complex assessment. Work needing to be done includes (in order):
-

1. Reconcile property inventory with the PVA's Real Estate Master File to ensure accuracy.
2. Develop photo library of all properties.
3. Address existing property encroachments.

Franklin Jones asked if someone encroaches on a property for a certain amount of time do they have rights to it. Paul Whitty replied no, not on government property. Julianne continued to the next step.

4. Identify opportunities to consolidate adjacent properties.
5. Assess highest and best use for each property to prevent land from being underutilized.
6. Obtain valuation or appraisal (through the PVA or by contract with an appraiser – do not have skill set to do in house).
7. Develop a policy to appraise new property acquisitions.

Julianne added that she believes they can all agree on the new policy. She added that Jeana Dunlap stated it would take about 12-24 months to complete a more comprehensive pricing strategy if the board felt that was necessary.

Next Steps

- Continue work on process mapping and identifying areas to improve, standardize and/or streamline the process to acquire, accept donations and sell property.
- Will present additional recommendations at March 27 Landbank Authority meeting.
- Discussion: process to update policies and procedures document.

Franklin Jones asked Julianne if the expectation was for the Board to adopt the new policy today or was this presentation a draft. Julianne replied that if the Board were inclined to do so they could. Franklin Jones that he'd rather just wait until the final document is complete. Bill Schreck reiterated that he thought this was a draft and the final would be presented about a year from now. Franklin Jones then asked Julianne Chen if she was requesting the Board to adopt this policy as in interim policy until the final is complete. Julianne replied yes. Ishmon Burks stated this is a good foundation to build on. Franklin Jones asked if the pricing was the final or just floor prices. Bill Schreck asked that if a property was donated could it be deemed a side yard if its actual worth is more than a dollar. What latitude would Board have in such an instance?

Jeana Dunlap replied that it would be good if the Board adopted the policy but the Board could deviate from the policy when necessary for logical reasons. Remember this is the "minimum price" and the Landbank can make adjustments as it finds necessary for any higher value property. This would be a time when staff and the Board discuss the sensible way to make a decision about selling a particular property. Paul Mastrolia asked if we receive an offer to buy a property for more than our minimum asking price should the potential buyer be notified. Bill

Schreck replied no, our minimum asking price only means we will not take any less than that amount but we can accept a higher amount. Jeana Dunlap added that if asking prices are posted on the website and someone offers to pay a greater price for a property should staff inform the requestor in the event they are not aware there is a lower minimum price available.. Paul Mastrolia added that they do not want to take advantage of someone's lack of knowledge. Bill Schreck commented that they should say they want the market value of the property. JoAnn added that fair market value is the amount that a willing buyer and a willing seller agree on.

Jeana replied that today Mr. Fowler made us an offer for \$350, is that fair market value for that property? Joann replied that both parties have to be willing. Jeana replied that was an open negotiation which she thought they were trying to avoid. Paul Whitty noted that none of these are at fair market value because we have objectives beyond just a price. Bill Schreck asked if the Landbank could be involved in determining whether or not the property falls within the pricing guideline. Jeana asked what you would base the determination on because the staff needs to be directed on how to proceed. Franklin Jones asked if the Board has the authority to make such a decision anyway. Paul Whitty replied that if a policy is adopted you have to follow it, that's why the policy needs to have a back door so exceptional properties are not locked with a low price. Mr. Whitty said we need to protect Metro and the taxpayers by giving the Landbank such an option to deal appropriately with high value properties in these cases that seldom occur.

Franklin Jones emphasized that they would have to make that explicit in the policy even the Board. Paul Whitty replied, I think they'd have to, to be transparent. Franklin Jones commented that the Board needs to be protected. The foundation was good but more language needs to be added to the policy to ensure the Board is legally covered. He also suggested they come back next meeting with language they could adopt. Mr. Jones added that he didn't think the Board was ready to adopt the pricing policy currently written.

Mr. Jones asked Julianne if she understood what he was saying. Julianne replied yes. Julianne then addressed two concerns, brought out during her presentation:

1.) Regarding side yards, does the Landbank what to strike the land area less than 2500 square feet or keep in as is defined. Bill Schreck replied that as is defined is okay, but to remove the unbuildable language.

2.) For sale offers that come in while this is being drafted how should staff handle it? Franklin Jones replied that even though the pricing policy with the language has not been adopted, if you operate off the books by this guideline, it should be okay.

Bill Schreck asked if there were any other items on the agenda, hearing none, he requested motion to adjourn the meeting. Franklin Jones made motion to adjourn, Ishmon Burks seconded, and the meeting was adjourned at 4:40pm.

Wendy Schrock
Chairman

Paul J. Marzulli
Staff

4/24/2014
Date